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Defense Intelligence Agency Appraisal

USSR-China: Relations (U)

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Summary

(C) *Beijing and Moscow used the February funeral of Soviet Communist party chief Konstantin Chernenko to signal a desire to sustain the recent momentum in Sino-Soviet relations. While Moscow's position is essentially the same, Beijing has made significant overtures since the renewal of normalization talks in October 1982. Notably, Chinese Communist Party chief Hu Yaobang extended "hearty congratulations" to new Soviet party chief Mikhail Gorbachev. Despite the overtures, neither side expects an immediate change in the other's policies, particularly in strategic issues.*

Discussion

(C) The Chinese overtures to the Soviets were the most dramatic since the vice-ministerial normalization talks resumed between the two countries in October 1982. These talks, begun in 1979 but suspended by China in 1980 to protest the Soviet invasion of Afghanistan, were renewed in response to Soviet initiatives. The most significant of these was Brezhnev's positive reference to China as a "socialist state" in March 1982. Since then, both sides have continued to "consult" on normalization, meeting twice each year in alternating capitals. The most recent session was held in Moscow from 9 through 22 April. Although the normalization talks have set the stage for improvements in the economic and cultural spheres, conflicting Soviet and Chinese national security goals have hampered real progress.

(C) China still regards the USSR as the greatest threat to its national security. However, it does not believe hostilities are likely in the near term. Thus, it demands that Moscow demonstrate its sincerity by removing what China calls the three obstacles to normalization. These are Soviet aid to the Vietnamese operations in Cambodia, Soviet occupation of Afghanistan, and Soviet troop and SS-20 deployments in the Soviet Far East as well as troop deployments in Mongolia. Moscow has refused to discuss the three obstacles, which it considers primarily third-country issues unrelated to bilateral relations. It instead advocates implementing such confidence-building measures as a joint declaration of a mutual freeze on border deployments, establishing a nuclear-free zone in the border areas, and installing a crisis hot line.

(C) The atmosphere surrounding these talks has fluctuated because of each country's maneuvering. For example, Moscow provoked a downturn in relations when it canceled the Beijing visit of First Deputy Premier Ivan Arkhipov less than 24 hours before his scheduled arrival on 10 May 1984. The cancellation was apparently in response to President Reagan's successful visit to China in April and to Chinese military harassment along the Sino-Vietnamese border. After a summer of Chinese press criticism of Moscow, bilateral relations began to improve with the Wu-Gromyko meetings at the UN in September

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1984. The rescheduling of Arkhipov's visit to Beijing in late December reinstituted positive momentum.

Sino-Soviet Initiatives

(C) Moscow undertook several initiatives during the Chernenko funeral to maintain the momentum of the Arkhipov visit. In his acceptance speech before the CPSU Central Committee on 11 March 1985, Gorbachev stressed Moscow's desire "to have a serious improvement in relations" with Beijing and that given "reciprocity" such improvement was "possible." This statement is consistent with the longstanding Soviet position that Beijing must make the first substantive concessions. In addition, Gorbachev met with Vice Premier Li Peng, the head of the Chinese funeral delegation. This marked the first such high-level contact between Soviet and Chinese leaders since Kosygin met with Zhou Enlai in 1969 at the Beijing airport.

(C) China's response to this overture signaled a strong desire to improve relations with Moscow. During the meeting with Gorbachev, Li conveyed the "heartfelt congratulations" of Chinese Communist Party General Secretary Hu Yaobang to his Soviet counterpart. In a possible effort to soften the threat of Beijing's developing relations with Washington, Li reaffirmed China's familiar position that it "does not establish strategic relations with other countries." Similar conciliatory actions included Li's reference to the Soviet Union as "socialist" for the first time since 1967, National People's Congress Chairman Peng Zhen's use of the term "comrade" in his congratulatory message to the new Soviet leader, and an unprecedented message of congratulations to Gorbachev from the Ministry of Foreign Affairs. The three obstacles and third-country themes were not mentioned.

(C) Moscow's initiatives in February were apparently aimed at continuing the momentum in Sino-Soviet relations started by the Wu-Gromyko meetings and the Arkhipov visit. These initiatives, however, do not imply a change in the Soviet strategy of improving bilateral relations in the economic and cultural areas while making no major concessions on fundamental strategic issues. Before the last round of normalization talks began, both sides stressed that the consultations were routine. Moreover, Chinese officials reasserted the need to resolve the three obstacles. No dramatic

agreements apparently resulted from the last round of talks. Future indicators of continued positive momentum in Sino-Soviet relations are likely to include the signing of a 5-year economic agreement when Chinese Vice Premier Yao Yilin visits Moscow this spring and an agreement to hold foreign minister- and prime minister-level talks.

Motives

(C) Soviet policy has remained consistent despite the changeovers in the Soviet Politburo during the last 2 years. Even with the recent election of Gorbachev as General Secretary, no dramatic change in Soviet policy appears likely. This policy is based on deep-rooted Soviet perceptions of the Chinese threat and of Soviet strategic requirements in the Far East. Furthermore, such perceptions are not likely to change. Moscow prefers to maintain continuity in its China policy, especially since Gorbachev's primary concerns are to consolidate his leadership position and to get the Soviet economy moving again. Moreover, US-Soviet relations — particularly with regard to the arms control issue — have precedence.

(C) China probably made its overtures for three interrelated reasons. The first is its belief that warmer relations with Moscow support China's national security and strategic interests. Since 1979, Beijing has been committed to an ambitious program of modernization and economic development. In Beijing's view, regional, indeed global, stability is essential if this goal is to be achieved. In addition, China has determined that military modernization, even with Western and especially US assistance, will take longer than originally expected, thus further postponing the day when China can confront the Soviet threat effectively. These considerations suggest the Chinese leadership has decided to reduce tensions with the Soviet Union to gain time to achieve progress in defense modernization.

(C) Similarly, Beijing probably thinks it can gain increased leverage in relations with Washington and Moscow if it has a wider range of Soviet contacts. Beijing depends on Washington as a strategic counterweight to Moscow; it is also aware that it is the weakest element in this "strategic triangle." Beijing may calculate that improved relations with Moscow will make Washington more aware of China's important contribution to the overall strategic balance and will also lead the US to be

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more forthcoming in technology transfer. If so, Beijing must feel confident about its ability to manage the possible negative effects of such a policy on its relations with Washington.

(C) More likely, Beijing's actions are designed to boost the perception of China as a truly independent actor in world affairs. Despite its assertion of independence, China's foreign policy has actually supported the US on most issues involving the superpowers. China recognizes this and realizes it is vulnerable to continuing criticism from the Third World as well as from some East European nations. It probably believes that improving relations with Moscow will help to neutralize such criticism and enable it to increase credibility. Thus, it will be able to operate more effectively throughout the world.

(C) Economic considerations constitute a second element in Beijing's calculation. Although it still regards the West, and especially the US, as the major source of the technology indispensable to its modernization effort, it also recognizes that Moscow can have an important supplemental role. Since 1982, Sino-Soviet trade has grown steadily, amounting to \$1.6 billion in 1984. Both sides have agreed to try to increase trade to \$5 billion by 1990. Beijing's overtures are probably also intended to ensure increased Soviet assistance in renovating the now obsolete and inefficient industrial plants built with Soviet aid in the 1950s. The Chinese leadership probably thinks that expanded relations will result in important inputs of technical assistance in selected nonstrategic areas.

(C) A third reason for China's recent actions is probably based on domestic political pressures. Since 1979, Deng Xiaoping and his supporters have pursued modernization by implementing economic decentralization, by relying on material incentives and market forces, and by integrating economic and technical assistance from the advanced nations of the West and Japan. Although these policies have gained popular support, segments of the national leadership have reacted equivocally. Some have even opposed the program, although their influence is now minimal. Residual dissatisfaction appears to be based on uneasiness over replacing disciplined, solidly doctrinaire socialist planning techniques with market forces; concern about the government's desire and ability to deal with inflation and other economic problems engendered by the new policies; and

anxiety over developing excessive identification with — if not real dependence on — the West, especially the US.

(C) The new policies also threaten entrenched bureaucratic interests and the positions of many officials. Opposition is frequently expressed as concern that China is slipping its ideological moorings and moving in unsocialistic directions. Such ideological criticism makes Deng and his supporters politically vulnerable. Holding out the prospect of improved relations with Moscow can be viewed as an effort to remove one area of vulnerability by validating the government's socialist credentials.

Outlook

(C) Neither Beijing nor Moscow expects its overtures to make any immediate or significant change in the other's policies, particularly the strategic issues represented by the three obstacles. Beijing continues to regard these obstacles as major impediments to complete normalization. In fact, Deng Xiaoping reiterated Chinese insistence that their resolution is a precondition for normalization. Although China's leaders probably regard the Gorbachev accession as promising for greater flexibility in Soviet foreign policy, they must realize that he will have to consolidate his position in the Politburo before major initiatives can be expected.

(C) Moscow has apparently sought to ensure that the positive momentum in Sino-Soviet relations will continue, but it is not likely to relinquish its strategic advantages in Afghanistan, at Cam Ranh Bay, and in Mongolia and Siberia for closer relations with China. The USSR is likely to continue creating an impression of having a dialogue with China and making cosmetic changes to produce an atmosphere of improved relations, while in fact refusing to compromise on basic strategic issues important to China.

(C) Despite Soviet inflexibility, Beijing wants relations with Moscow to expand further, and it has clearly decided that Gorbachev's rise provides an opportunity to achieve this goal. However, the national security interests of both sides will limit progress to nonstrategic trade, technology transfer, and culture and education. Expansion in these areas will probably have a positive impact on overall political relations, and China may eventually be faced with a complex and difficult decision about

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how far to go in this regard. For example, it would probably judge that a dramatic move such as reestablishing party ties would be perceived as a fundamental reorientation of its foreign policy. Beijing would therefore have to continue considering the impact of these initiatives on its relations with the West. The primary element in its calculation will be to prevent improved relations with Moscow from

jeopardizing the essential strategic, political, and economic benefits derived from its ties to Washington.



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